

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 99-0234P**

Gross Income Tax

Calendar Years Ended 12/31/94, 12/31/95, and 12/31/96

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**ISSUE(S)**

**I. Tax Administration – Penalty**

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2  
Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer is incorporated in Delaware and maintains a sales office in Indiana. Upon audit, it was discovered that the taxpayer failed to include all of its receipts in gross income.

In a letter dated April 20, 1999, taxpayer requests the department waive the penalties.

**1. Tax Administration –Penalty**

**DISCUSSION**

Taxpayer was assessed a penalty for failure to include all of its receipts in gross income.

Taxpayer states it paid all of its Indiana taxes timely and has shown no type of fraud or negligence to warrant a penalty.

The issues addressed in the audit are clear in the Indiana Code and Regulations. The taxpayer was negligent in not making itself familiar with the code and regulations. In addition, taxpayer was previously audited on May 31, 1996 with the same issue and failed to take corrective action.

**FINDING**

Taxpayer's protest is denied.